# Commonwealth of Virginia Virginia Department of Social Services Office of the Commissioner 7 N. 8th St. Richmond, VA 23219

## Commissioner's Memo No. 003

DATE: October 23, 2007

**TO**: Directors of Local Departments of Social Services

**FROM**: Anthony Conyers Jr.

#### Directors,

Following are the topics contained in this Memorandum:

- Budget Cuts
- Local Review Team Update

# Budget Cuts – General Relief Correction

In Commissioner's Memorandum #2 dated October 3, 2007, I unintentionally created confusion related to the impact to local departments of the Governor's budget reductions. One of the budget related points in my earlier memorandum indicated the following:

• There were <u>no</u> reductions to the 120 local departments of social services; however, the General Relief total allocation was reduced to FY07 spending levels. This should not impact local operation of the General Relief program as the original FY08 allocations were built on prior year spending.

The allocations were, in fact, built on FY07 spending. However, the entire appropriation was allocated in our local budget development process as local budgets were developed prior to the announcement of the budget reduction strategies. More accurately, local funding for General Relief will be reduced to FY07 expenditure levels. Division of Finance and Benefit Programs staff are finalizing locality allocations. The changes will be reflected in LASER by the end of the week.

### Local Review Team Update

<u>Broadcast 4217</u> issued on April 20, 2007 announced the establishment of the DSS Local Review Team. We have not been able to move as quickly into this process as desired. However, we have completed a small number of reviews. I wanted to take this opportunity to highlight a couple of issues encountered during these reviews.

• Claiming rent and/or facility costs. In two of six reviews we found this to be a troublesome area. In one case, claims were made for rental space that was not

occupied by staff delivering social services. This is not an allowable charge. In the second, a locality had been advised they could charge rent for locally-owned space by their county attorney. When asked for supporting documentation, the locality agreed to reimburse costs claimed. This is an area that requires improved and updated guidance to identify appropriate charges. Our objective is to get things straight going forward and not review past erroneous administrative practices. We need improvement in this area and will soon issue updated guidance via the LASER Manual. Once this guidance is issued, please review your local process for claiming facility-related costs to ensure you comply.

• Claiming local central services costs. These costs are reimbursed annually in the spring by DSS. The locality in question had been claiming these costs monthly by inflating their salary costs and then attempting to adjust their annual claims by a similar amount. I wanted to highlight this issue as we understand this practice was suggested to the locality by their local audit firm. These costs should be reimbursed through the annual reimbursement process.

Moving forward, we will provide updates to you in the interest of improving the integrity of our social services delivery system. Please contact your Regional Administrative Manager or a member of the Local Review Team if additional information is required or desired related to these issues.

These memoranda may also be found on the VDSS public Web site at <a href="http://www.dss.virginia.gov/division/co/memos.cgi">http://www.dss.virginia.gov/division/co/memos.cgi</a>.

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